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South China Market Success Stories

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Report Highlights:

The actions of the U.S. Agricultural Trade Office in Guangzhou and the U.S. commodity group cooperators over the past year have done much to boost the exports of U.S. food and agricultural products to China in general and South China in particular.

Includes PSD changes: No
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Unscheduled Report
Guangzhou [CH3], CH

The actions of the U.S. Agricultural Trade Office in Guangzhou and the U.S. commodity group cooperators over the past year have done much to boost the exports of U.S. food and agricultural products to China in general and South China in particular. Whether through introductory seminars, visa referrals, product promotions, or delegation organization, the success of these activities is evident in the variety of imported products and the resulting trade revenues. This report highlights some of the activities over the past year and the results the activities generated.

FMI, May 2000

For the 2000 FMI show, the ATO/Guangzhou recruited, organized, and led a delegation of Guangdong importers. Not long after the visit, many of these team members imported several U.S. products valued in the millions of U.S. Dollars. For example, one Shantou importer reported that he bought U.S.\$1 million worth of Californian prunes and other items such as California almond, pistachios and raisin valued at U.S.\$150,000 after he returned from the FMI Trip in May 2000. Another team member from Panyu reported that his processing plant bought over U.S.\$100,000 worth of pistachios, almond and raisin from the U.S. In addition to U.S. horticultural products, an importer from Guangzhou bought 5,000 metric tons of meat and bone meal valued at U.S.\$ 1,300,000 and 11,000 metric tons of yellow grease valued at U.S.\$ 3,080,000 after the 2000 FMI trip.

Visa Referrals

Sometimes a simple visa referral can help seal a deal. Last summer, ATO/Guangzhou assisted the Nanxing Fruit Company with acquiring a visa to visit the U.S. Later, on the trip, the company contracted for and imported 2,000 tons of almonds and 100 tons of pistachios. Another local distributor who received visa assistance reported that through a Hong Kong middleman he bought one and a half containers of California dates valued at U.S.\$30,000 after his trip to the U.S. In addition, his company last year distributed about U.S.\$9 million of U.S. products all over China, including pistachios, almonds, prunes, hazelnuts, sunflower seeds, raisins, and other products. Guangzhou Tongyi Food Company, another visa assistance recipient, reported that it imported two containers of preserved cherry and three containers of butter valued at U.S.\$ 130,000 after a company manager's visit to the States last year.

Visa referral assistance also was provided to the cooperators for their buying delegations going the U.S. and in at least one instance helped yield great results. Last Fall, the ATO/Guangzhou working with the Washington Apple Commission helped a delegation of nine local fruit importers who after their trip increased their purchases of Washington apples by 55 percent of the year before.

New Products Promotion

Last September, the ATO/Guangzhou organized its first new products promotion for U.S. supermarket products in Guangzhou. As a result of participation, three new-to-market products found local distributors and are now found on the shelves of many of the city's stores and supermarkets. In addition, a major retail operation in Shanghai also started selling these same products as a result of an advertisement placed for the promotion. The U.S. products were "Mike & Ike's" candies, Peepies marshmallow candies, and Slim Jim beef jerky.

Cooperators' Successes

The U.S. cooperators have also had recent success in the South China area through retail and restaurant promotional activities. The USA Poultry and Egg Council through supermarket merchandising assistance and in store sampling recruited six more Guangzhou supermarket chains to carry U.S. poultry cuts and products. The estimated U.S. poultry sales volume for these six new chains during the first six months exceeded U.S.\$ 1 million.

The Alaska Seafood Marketing Institute reported increased product sales from the yearly Guangkelong Department Store American food products promotion. Participant recruitment for that promotion was handled by the ATO Guangzhou.

The Californian Prune Board held a trade seminar in Guangzhou last Fall and altogether 141 importers, distributors, retailers, and media people attended. As a direct result of the seminar, two Guangdong companies purchased prunes. Shantou Fuwai company imported 700 tons and Jiweicun Company two containers. Since the seminar, six more local companies began purchasing prunes.

The U.S. Meat Export Federation boosted exports through helping Sam's Club of Shenzhen to begin importing directly. This effort increased U.S. beef sales at the retailer by 200 percent, selling 10 tons of beef during one two week period compared to only three tons during the same period a year earlier. In addition, USMEF promotions at Guangzhou's Makro Hypermarket, Ying Cui Ge Restaurant, and the Monte Carlo Restaurant all assisted in generating sales of thousands of kilograms of U.S. beef. These cooperator successes show the market potential of South China.

Industry Recognition

The work of the ATO Guangzhou gained some international recognition from its reporting. The January-February issue of Fruit Asia, published in London, ran two articles based on the contents of the office's annual deciduous fruit and citrus reports.